Reading — Results Reporting & Stakeholder Communication (Stage 12)

Why This Stage Matters

Financial engineering work only creates value when it **changes decisions**. A technically correct analysis can fail if it's poorly communicated — stakeholders make decisions, not models.
Your goal: present results clearly, credibly, and in a way aligned with your audience's needs.

Key Principles / Concepts

- **Audience-First Framing:** Tailor content depth for executives vs. technical peers. Execs want a story and implications; quants may want methodology and code.
- **Decision Orientation:** Every chart and table should answer "so what?" — what actions does this enable?
- **Transparency of Assumptions:** Explicitly document assumptions (e.g., imputation, outliers, transaction costs) and how deviations affect outcomes.
- **Scenario Sensitivity:** Include at least one alternate scenario; quantify deltas to show fragility or robustness.
- **Clarity & Narrative Integration:** Combine visuals with plain-language explanations. Summarize insights; avoid technical jargon when possible.

Good vs. Bad Communication

- **Bad:** Raw notebooks, unannotated code, complex tables, no narrative.
- **Good:** Short executive summary, visuals with interpretation, decision-oriented commentary.

Components of a Strong Deliverable

1. **Executive Summary:** One-sentence headline + 2–3 bullets. Focus on what the stakeholder needs to know.
2. **Key Visuals:** Clean, labeled charts with 1–2 sentence interpretations.
3. **Assumptions & Risks:** Plain-language articulation of assumptions and potential risks.
4. **Sensitivity of Assumptions:** Table or figure showing deltas vs baseline; interpret impact.
5. **Decision Implications:** "What this means for you" and recommended next steps.
6. **Separate Artifacts:** Code for peers; story + visuals for decision-makers.

Formats & Tools

- **Slide Deck:** Fast-read, ideal for decision meetings. Use headlines + 2–3 high-impact visuals.
- **Written Report:** Depth and context; good for asynchronous review and documentation.
- **Interactive Dashboard (advanced):** Exploration for product/risk/PM teams after initial sign-off.
- **Suggested Tools:**

- **Python:** Jupyter notebooks for narrative, Matplotlib/Seaborn for static charts
- **Interactive:** Plotly, Streamlit, or Dash for dashboards
- **Documentation:** Markdown cells for storytelling; PowerPoint/Slides for executive decks

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Visual Craft Checklist

- Titles answer “what/why”; axes labeled, units consistent.
- Avoid chart junk; annotate outliers and key points.
- Use consistent color mapping across slides.
- Export as PNG/SVG at 300 dpi; store under `/deliverables/images/`.

Example Sensitivity Table

Assumption	Baseline Return	Alternate Return
Fill Nulls: Median	12%	10%
Remove Outliers: 3σ	12%	14%

Examples (Finance-Flavored)

- **Risk–Return Trade-off:** Scatter volatility vs return across scenarios; highlight target quadrant.
- **Cost Assumptions:** Changing transaction costs from 10→30 bps reduces Sharpe by Δ; present as a tornado bar.
- **Outlier Policy:** Removing 3σ outliers increases return by Δ but also raises volatility by Δ; interpret trade-off.

Self-Study / Practice Prompts

- Rewrite a technical paragraph into a one-bullet executive headline.
- Create a sensitivity table for the top 3 assumptions.
- Explain your recommended decision and one risk to monitor.
- Focus on **decision-oriented storytelling**, not just technical completeness.

Repo & Reproducibility

- Use `/reports/` or `/deliverables/` for artifacts; keep data/code in `/data/` and `/src/`.
- Ensure notebooks run top-to-bottom; avoid hidden state.
- Document key decisions in Markdown cells.